STAND. COM. REP. NO. 574

Honolulu, Hawaii

MAR 0 5 2015

RE: S.B. No. 717 S.D. 2

Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 717, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the requirement that gasoline sold in the State for use in motor vehicles be composed of ten percent ethanol.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from Bioenergy Associates LLC. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that since 1997, Hawaii has required that gasoline sold in the State include ten percent ethanol. Your Committee notes that although ethanol has reduced the consumption of petroleum products in the transportation sector, the ethanol has been imported and has not been produced locally despite the availability of production tax credits. Your Committee further finds that the requirement of blending ethanol into Hawaii's gasoline does not produce an economic benefit for the State, while the import of ethanol creates an economic burden for state residents. Repealing the ethanol gasoline requirement will ensure that any added costs associated with ethanol blending will not affect gasoline price and supply.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 717, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection,

ROSALYN H. BAKER, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*	Committee Referral:			Date:	
SB717 SDI	ENE, CPN 2			2/24/	15
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye /	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
TANIGUCHI, Brian T. (VC)					
KAHELE, Gilbert		V	<u>-</u>	,	
KIDANI, Michelle N.		V,			
NISHIHARA, Clarence K.	_				
WAKAI, Glenn					
SLOM, Sam					
			<u>-</u>		
	-				
				<u></u>	
		-			
TOTAL		6	0	0	
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes